



Lean 6-Sigma Program



CALIFORNIA SUBSTANCE ABUSE TREATMENT FACILITY-STATE PRISON AT CORCORAN

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Plant Operation Purchase Requisition Process

Problem Statement: Evaluate the steps and staff involved in the Procurement of parts and supplies utilized by Plant Operations to ensure we are maximizing the efficiency of the process.

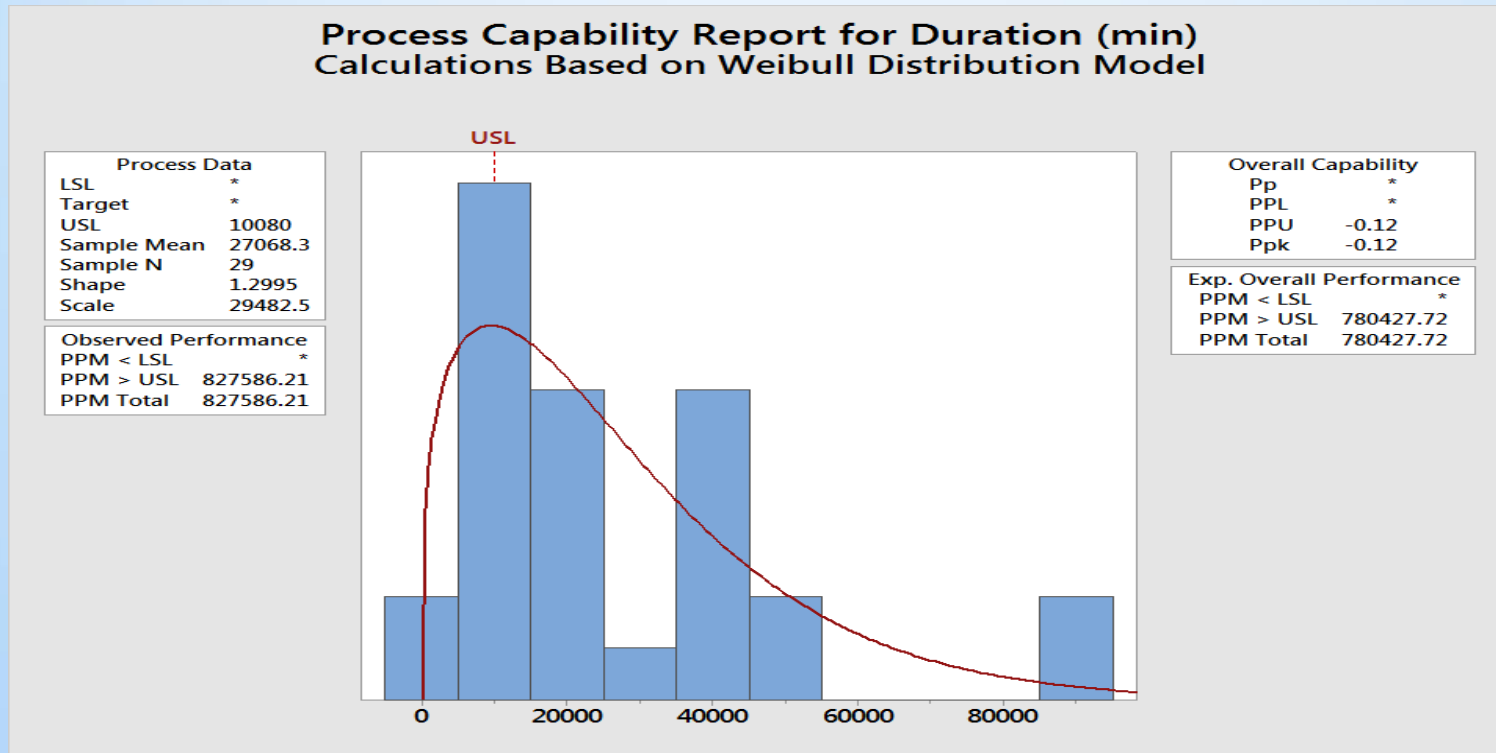
❖ **Objective:** PR processing time, from determination of need to final release of Purchase Requisition. Our estimated baseline is: (16 days) with a Goal of: (90% within 7 days)

❖ **Project Team:**

- ❖ *Eddy Ewan – Correctional Plant Manager II*
- ❖ *Brian Wells – Painter III*
- ❖ *Wayne Motl – Chief Engineer*
- ❖ *George Salinas – Material and Stores Supervisor I*
- ❖ *Edris Prospero – Business Servicer Officer I*
- ❖ *Rita Aceves – Material and Stores Supervisor II*

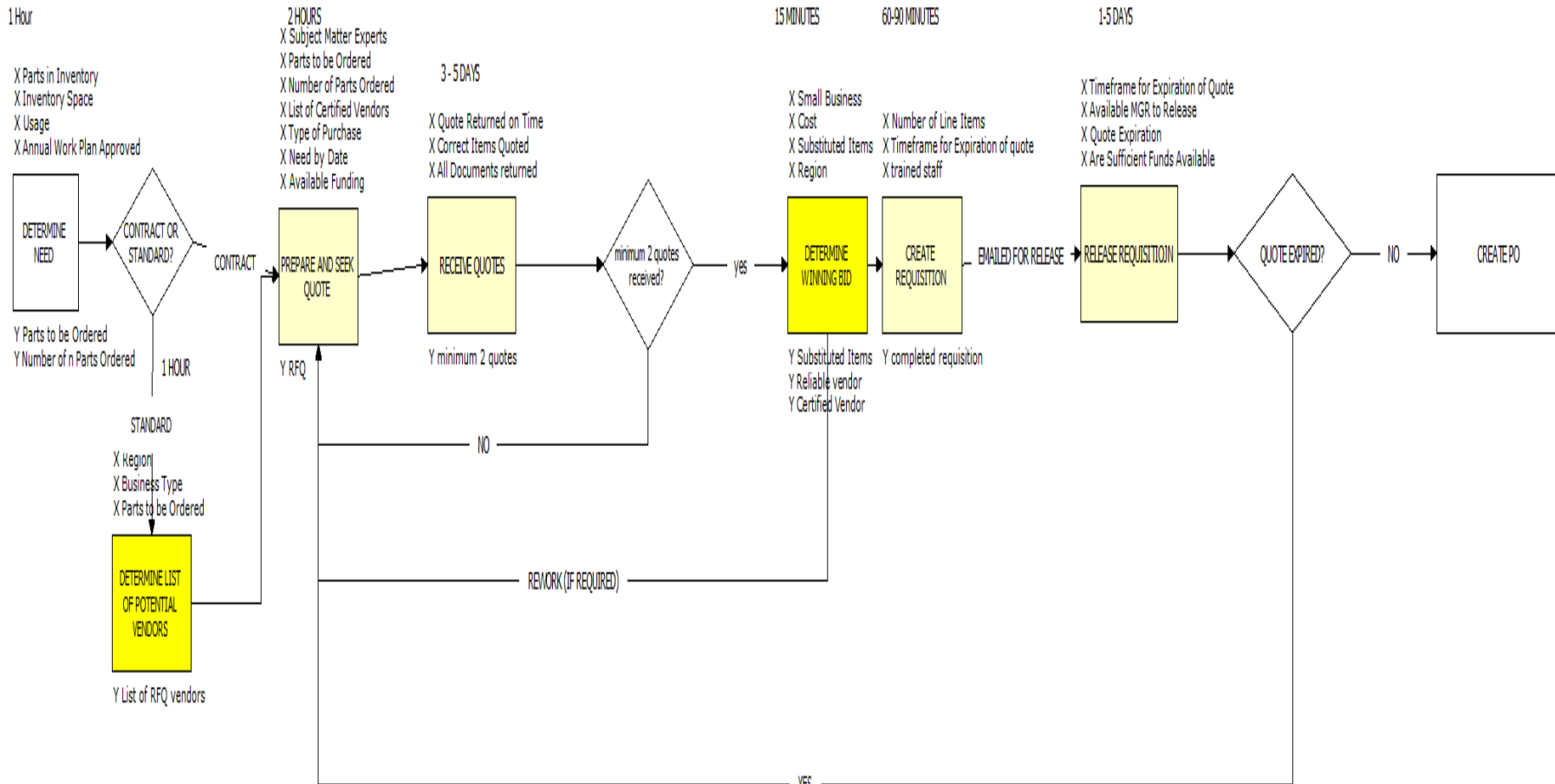


Baseline Capability



- ❖ Utilizing 29 actual Purchase Requisition Samples
- ❖ Observed Performance – 82% outside of the seven (7) day target

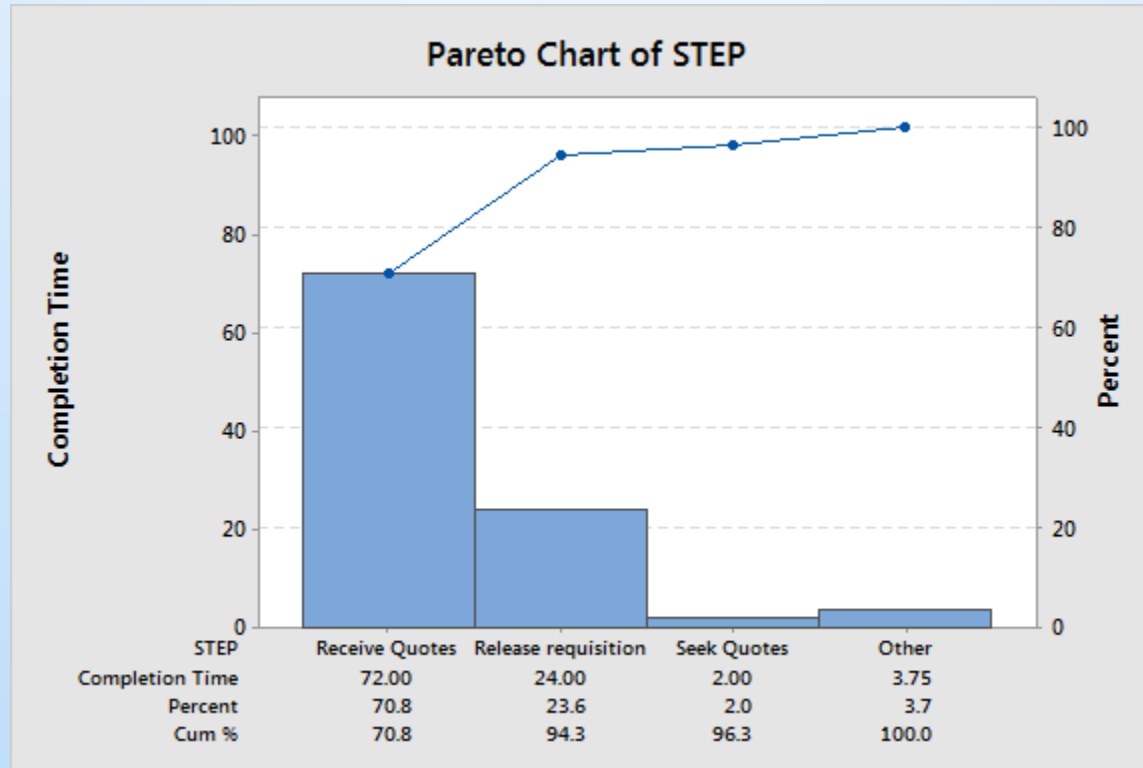
INITIAL PROCESS MAP



Analysis Tools

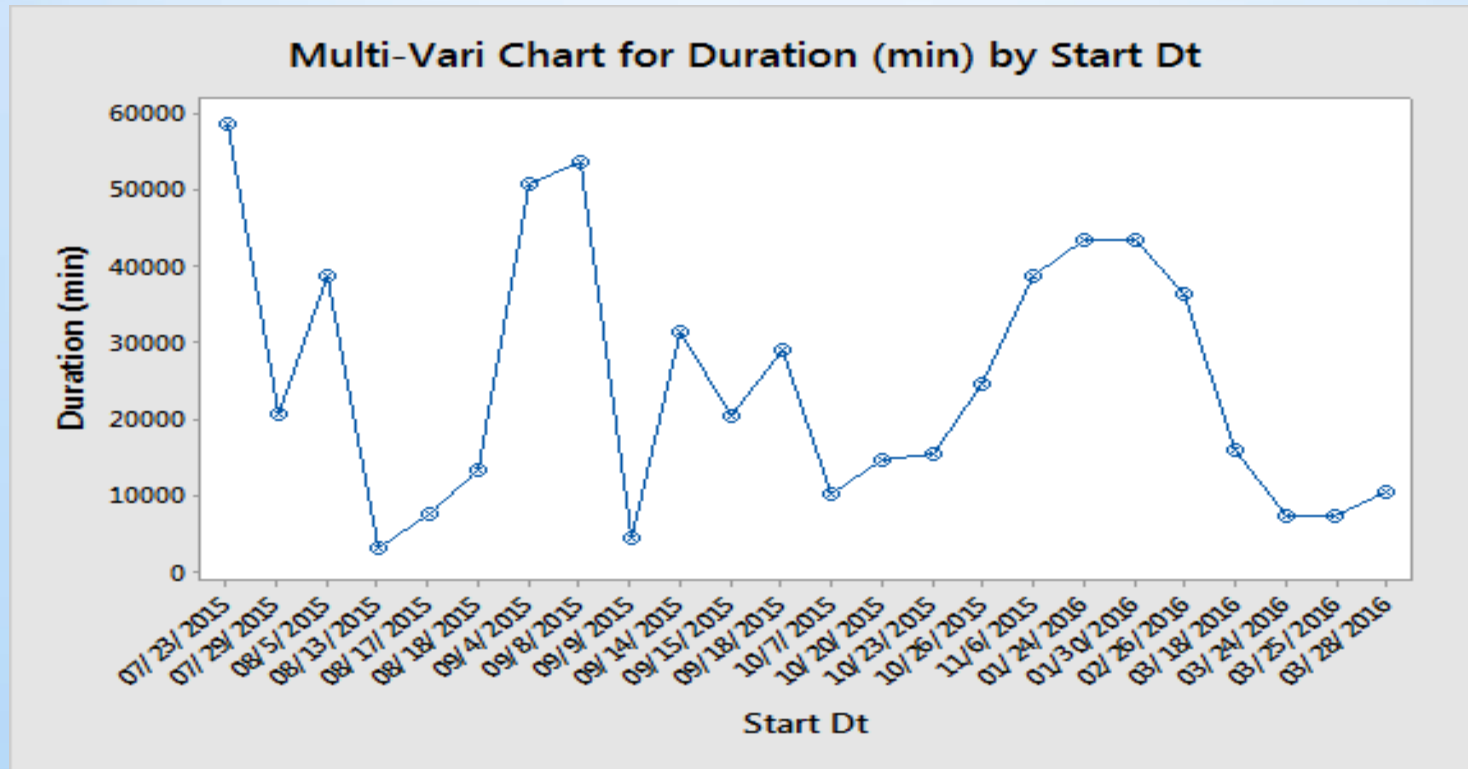
- ❖ Process Map
- ❖ Fishbone Diagram
- ❖ Multi-vary Analysis
- ❖ Pareto Charts
- ❖ FMEA (Failure, Modes and Effects Analysis)

Purchase Requisition Processing Times



- ❖ This Graphic shows it was not the time spent working on the Requisitions but rather the wait time for Quotes to be returned as well as awaiting the approval releases to process into Purchase orders.

Timeline by Start Date



- ❖ Due to no standards for a timeline to seek and receive quotes/bids the summary shows a wide variation in completion times

Critical X's (root causes of problems)

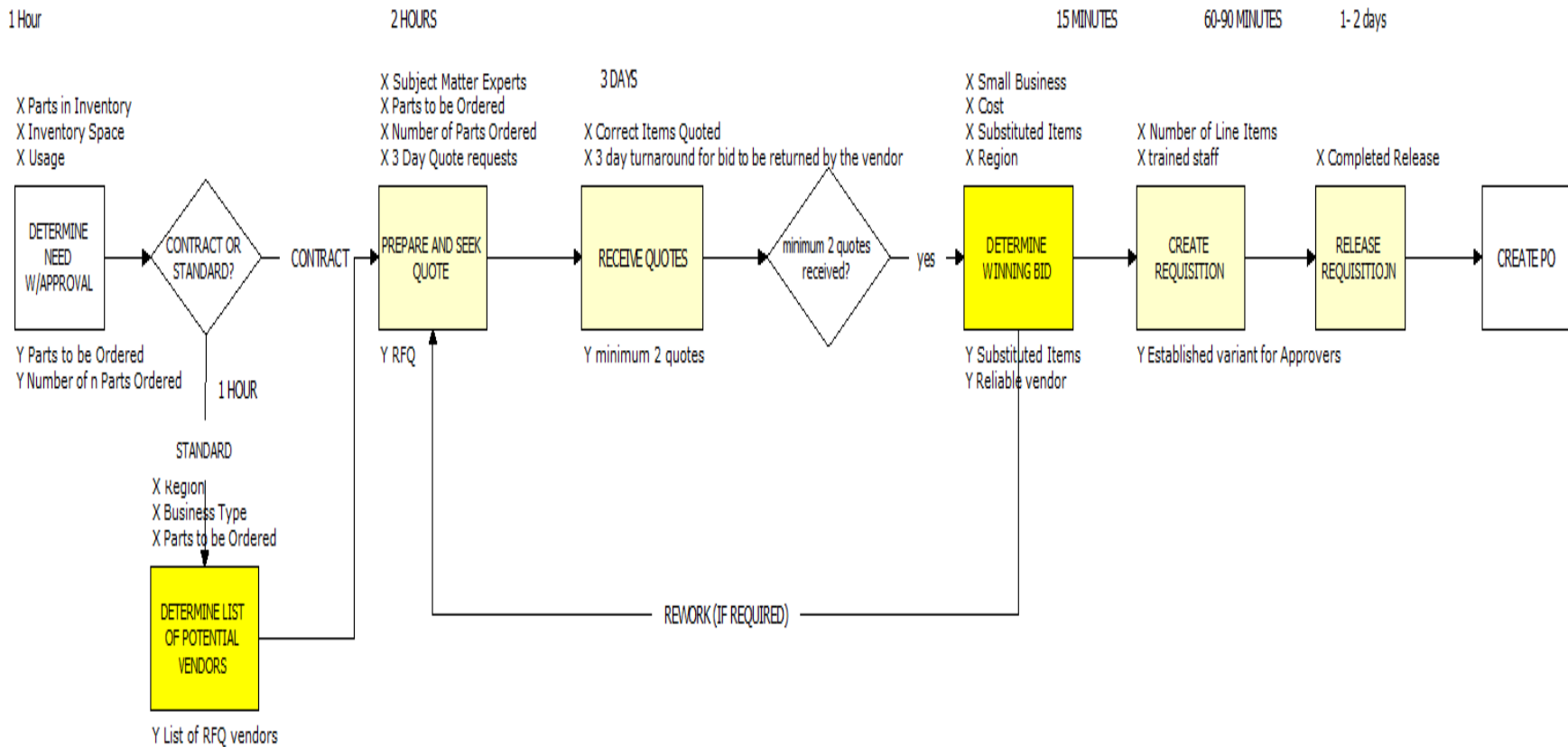
- ❖ **Seek Quotes** – Staff needed to be trained in a more proficient manner on what was expected to include, understanding; type of purchase, required documents, etc.
- ❖ **Releasing Requisitions** – No backup supervisor was available to release pending requisitions so they sat in the system.
- ❖ **Available Budget** – This was a cause for delays in the release/completion process due to no funding.

Improvement Techniques

- ❖ We have established Procurement training dates for new staff who will be assigned as a purchase requisitioner (PR).
- ❖ We have revamped the checklist of required documents to separate contract versus competitive bidding
- ❖ We have designated backup first level approvers
- ❖ A dedicated staff will now have the responsibility to monitor the General Ledger accounts for plant operations to ensure the availability of funds prior to beginning the requisition process
- ❖ A 3 day turnaround to receive quote requests back from vendor has been established. The revamped checklist will also assist in identifying the necessary forms required for the type of purchase.
- ❖ Supervisors and Managers with release level authority will review variants on a daily basis.



New Process Map

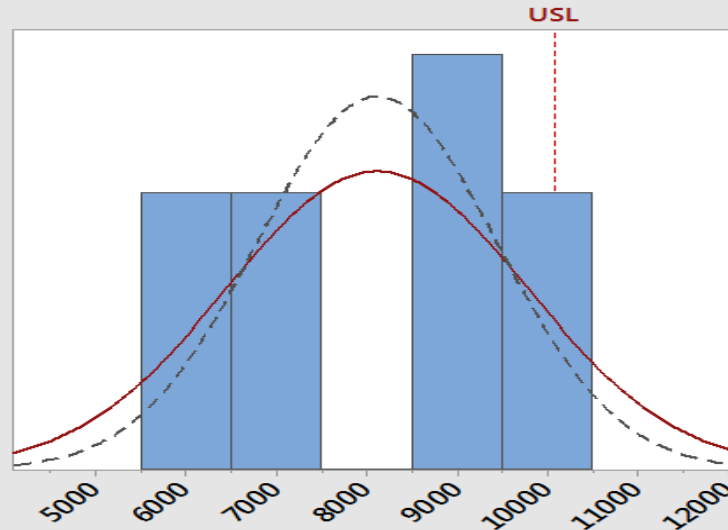


- ❖ The new process map identifies some key reductions in processing. They include; Receipt of quotes from Vendors and the reduction in Release times. The immediate notification of a pending release eliminates the possibility of a quote expiring.

New Capability Analysis

Process Capability Report for Duration (min)

Process Data	
LSL	*
Target	*
USL	10080
Sample Mean	8116.33
Sample N	9
StDev(Overall)	1667.72
StDev(Within)	1332



—	Overall
- - -	Within

Overall Capability	
Pp	*
PPL	*
PPU	0.39
Ppk	0.39
Cpm	*
Potential (Within) Capability	
Cp	*
CPL	*
CPU	0.49
Cpk	0.49

	Observed	Expected Overall	Expected Within
PPM < LSL	*	*	*
PPM > USL	111111.11	119506.19	70210.48
PPM Total	111111.11	119506.19	70210.48

- ❖ Utilizing 9 Purchase Requisition samples
- ❖ Observed performance puts us 11.9 % outside of the (7) day target

Control Plan

- ❖ We have established a Standard Operating procedure (SOP) that will dictate the process for requisitioning parts and supplies.
- ❖ Process owner will conduct quarterly audits and submit findings to Business Services. To be completed by 08/31/2016 by the Correctional Plant Manager II (CPM II)
- ❖ If audit findings indicate any non-compliant activity a Corrective Action Plan (CAP) will be completed to ensure compliance.

Additional Benefits

- ❖ Quicker response times for returned quotes
- ❖ Streamlined instructions to make it simple for staff to understand
- ❖ Reduced vendor apathy



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